



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

SECRETARIAT

2011 JUL 29

2011 JUL 29 AM 9:45

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FEDERAL ELECTION  
COMMISSION

**SENSITIVE**

**CELA**

**MEMORANDUM**

**TO:** The Commission

**FROM:** Christopher Hughey  
Acting General Counsel

Kathleen Guith  
Acting Associate General Counsel for Enforcement

**BY:** Mark Allen **MA**  
Assistant General Counsel

Kasey Morgenheim **KM by MA**  
Attorney

**SUBJECT:** MUR 5926 (Republican Party of Minnesota) – Probable Cause Conciliation

Attached is a signed conciliation agreement [redacted] with the Republican Party of Minnesota and its treasurer ("RPM") which settles violations of 2 U.S.C. § 434(b) for failing to report debts and obligations and 2 U.S.C. § 441a(f) and 11 C.F.R. §§ 102.5(a) and 106.7(f) for making excessive transfers from RPM's non-federal account to its federal account for allocated administrative expenses. [redacted]

[redacted] The agreement recites the pertinent facts of this matter and contains [redacted] admissions of RPM's violations of the Act and the Commission's regulations, as well as an agreement to cease and desist from further violations. In addition, RPM agrees to pay a civil penalty of \$170,000, [redacted]

The agreement provides for the civil penalty to be paid in installments. The first payment of \$20,000 is due to the Commission no more than 30 days after the effective date of the agreement and, thereafter, ten consecutive monthly payments of \$15,000 are due within thirty days of the previous payment. The agreement also contains an acceleration clause stating that, in the event that an installment payment is not received by the fifth day after it is due, the Commission may, at its discretion, accelerate the remaining payments and cause the entire amount to become due within ten days of written notice to RPM.

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1 In addition to the civil penalty, the proposed agreement requires RPM to take remedial  
2 measures. Paragraph VII.2 provides that RPM will require RPM personnel to attend a  
3 Commission-sponsored training program during 2011-2012; prepare an internal training manual,  
4 prepared by experienced federal campaign finance counsel, to assist appropriate personnel in  
5 understanding the reporting requirements of the Act and Commission regulations, and submit a  
6 copy to the Commission; and retain experienced federal campaign finance counsel to  
7 review RPM's reports before they are filed with the Commission.  
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Accordingly, we recommend that the Commission accept the attached conciliation agreement and close the file.

**RECOMMENDATIONS:**

1. Accept the attached conciliation agreement with the Republican Party of Minnesota and David E. Sturrock, in his official capacity as treasurer.
2. Approve the appropriate letter.
3. Close the file.

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